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ABSTRACT

This speech reviews what Illinois has done in terms of public financial support for the private sector, what the Illinois Board of Higher Education recommends be done in the near future, and the issues that must be resolved. Illinois was one of the pioneer states in extending financial aid to private higher education institutions, beginning with the enactment in 1957 of a state scholarship program. As a result of the health services Education Grants Act, grants for operating and capital purposes are available to private medical, dental, nursing and allied health care programs on the basis of increased enrollment of Illinois residents. For the 1972-73 academic year, monetary awards to students attending private institutions totalled $29.4 million, nearly 60 percent of total awards. This is a 60-fold increase over a 14-year period. State appropriations for the Health Services Education Grants Act have increased from $8 million in fiscal 1970 to $15.7 million for fiscal 1974. A major question for state government in the future will be the means of financially supporting the private higher education sector without undermining its independence. This is a goal dictated both by the economic self-interest of state government and in pursuit of an accepted and admirable philosophical goal of diversity in higher education. (Author/PG)

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THE PUBLIC INTEREST IN PRIVATE COLLEGES AND UNIVERSITIES[1]

IN 1968, THE COMMISSION TO STUDY NON-PUBLIC HIGHER EDUCATION IN ILLINOIS RECEIVED THE FOLLOWING TESTIMONY:

"THERE IS NO EVIDENT DIVISIVENESS BETWEEN PUBLIC AND NON-PUBLIC HIGHER EDUCATION IN ILLINOIS, NOR SHOULD THERE BE. INSTITUTIONS COMPRISING EACH OF THESE SECTORS ARE, AND MUST CONTINUE TO BE, INTEGRAL PARTS OF THE SYSTEM OF HIGHER EDUCATION IN OUR STATE. TO IMPAIR EITHER OR BOTH WOULD BE TO IMPAIR THE FUTURE OF OUR CITIZENS AND THE PROSPERITY OF THE STATE. WORKING TOGETHER, THE PUBLIC AND NON-PUBLIC INSTITUTIONS WILL CONTINUE TO BE INSTITUTIONS OF PROGRESSIVELY BETTER QUALITY AND, ABOVE ALL, THE RESOURCES FOR MAKING ILLINOIS A MAJOR CONTRIBUTOR TO THE WELFARE OF THE NATION."

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[1]Presentation by Cameron West, February 7, 1974, Society for College and University Planning - Long Range Planning Conference: "Public Policy and the Relationship of Private and Public Higher Education," New York, N.Y.

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THESE REMARKS WERE MADE TO THE COMMISSION, AUTHORIZED BY THE 75TH ILLINOIS GENERAL ASSEMBLY, BY DR. TALMAN VAN ARSDALE, JR., THEN PRESIDENT OF BRADLEY UNIVERSITY AND THE FEDERATION OF INDEPENDENT ILLINOIS COLLEGES AND UNIVERSITIES.

IN THEIR OVERALL IMPORT, DR. VAN ARSDALE'S REMARKS ARE AS TRUE TODAY AND FOR THE FORSEEABLE FUTURE AS THEY WERE OVER FIVE YEARS AGO, BOTH IN ILLINOIS AND THROUGHOUT THE NATION. THE ONE NOTEWORTHY EXCEPTION REFERS TO THE ABSENCE OF "DIVISIVENESS" BETWEEN THE PUBLIC AND NON-PUBLIC HIGHER EDUCATION SECTORS.

FOR TODAY, THERE IS EVIDENCE OF SUCH DIVISIVENESS THROUGHOUT THE NATION, WITH DEMANDS FROM SOME AREAS OF THE PUBLIC SECTOR THAT STATE AID TO PRIVATE HIGHER EDUCATION INSTITUTIONS BE REDUCED OR EVEN ELIMINATED. ON THE OTHER HAND, MANY PRIVATE INSTITUTIONS ARE REQUESTING INCREASED FINANCIAL AID FROM THE STATE, ESPECIALLY AS TRADITIONAL PRIVATE SOURCES OF FUNDING ARE LIMITED AND AS STUDENT TUITION CHARGES REACH MAXIMUM LIMITS.

IN SHORT, THERE WAS NO DIVISIVENESS BETWEEN THE PUBLIC AND PRIVATE SECTORS WHEN THEY WERE NOT IN COMPETITION FOR STATE DOLLARS. SUCH COMPETITION RAISES NOT ONLY QUESTIONS

ABOUT SPECIFIC FORMS AND AMOUNTS OF STATE AID TO PRIVATE INSTITUTIONS, BUT ABOUT A STATE'S PRIMARY RESPONSIBILITY FOR FUNDING HIGHER EDUCATION.

GIVEN THIS SITUATION, IT IS APPROPRIATE TO REVIEW WHAT ILLINOIS HAS DONE IN TERMS OF PUBLIC FINANCIAL SUPPORT FOR THE PRIVATE SECTOR, WHAT THE ILLINOIS BOARD OF HIGHER EDUCATION RECOMMENDS BE DONE IN THE NEAR FUTURE AND THE ISSUES THAT MUST BE RESOLVED.

ALTHOUGH I USE ILLINOIS AS A SPECIFIC EXAMPLE, THE CONFLICTS AND ISSUES ----AS THEY ARE VIEWED FROM A STATE-WIDE PERSPECTIVE BY SOMEONE INVOLVED IN COORDINATION AND PLANNING---ARE COMMON TO MANY OF THE STATES REPRESENTED HERE TODAY.

ILLINOIS WAS ONE OF THE PIONEER STATES IN EXTENDING FINANCIAL AID TO PRIVATE HIGHER EDUCATION INSTITUTIONS, BEGINNING WITH THE ENACTMENT IN 1957 OF A STATE SCHOLARSHIP PROGRAM. THIS WAS A RECOMMENDATION OF THE ILLINOIS HIGHER EDUCATION COMMISSION, A PREDECESSOR OF THE PRESENT BOARD OF HIGHER EDUCATION.

THE FIRST CLASS OF ILLINOIS STATE SCHOLARSHIP WINNERS---AWARDS BEING MADE ON THE BASIS OF ACADEMIC ACHIEVEMENT---ENTERED COLLEGE AT THE BEGINNING OF THE 1958-59 ACADEMIC YEAR. THE SCHOLARSHIPS FROM THE BEGINNING WERE APPLICABLE TO BOTH PUBLIC AND PRIVATE INSTITUTIONS. BY 1967, THE STATE HAD INSTITUTED A NON-COMPETITIVE SCHOLARSHIP PROGRAM BASED ON DEMONSTRATED STUDENT FINANCIAL NEED; AGAIN, THE PROGRAM WAS APPLICABLE TO PRIVATE AS WELL AS PUBLIC INSTITUTIONS.

ONE OF THE MANY RECOMMENDATIONS OF THE REPORT, EDUCATION IN THE HEALTH FIELDS FOR THE STATE OF ILLINOIS, ADOPTED IN 1968 BY THE BOARD OF HIGHER EDUCATION, WAS TO ESTABLISH A MECHANISM FOR MAKING GRANTS TO PRIVATE INSTITUTIONS IN SUPPORT OF HEALTH PROGRAMS. AS A RESULT, THE GENERAL ASSEMBLY CREATED THE HEALTH SERVICES EDUCATION GRANTS ACT, FIRST FUNDED IN FISCAL YEAR 1970. GRANTS FOR OPERATING AND CAPITAL PURPOSES ARE AVAILABLE TO PRIVATE MEDICAL, DENTAL, NURSING AND ALLIED HEALTH CARE PROGRAMS ON THE BASIS OF INCREASED ENROLLMENT OF ILLINOIS RESIDENTS.

TWO OF THE RECOMMENDATIONS OF THE COMMISSION TO STUDY NON-PUBLIC HIGHER EDUCATION IN ILLINOIS WERE: (1) TO MAKE ANNUAL DIRECT GRANTS OF STATE FUNDS TO PRIVATE INSTITUTIONS, AND (2) FOR THE STATE TO FUND COOPERATIVE PROGRAMS AMONG PUBLIC AND/OR PRIVATE INSTITUTIONS.

THE FIRST RECOMMENDATION WAS IMPLEMENTED WITH THE PASSAGE BY THE GENERAL ASSEMBLY OF THE ILLINOIS FINANCIAL ASSISTANCE ACT FOR NONPUBLIC INSTITUTIONS OF HIGHER EDUCATION. THIS ACT WAS FIRST FUNDED IN FISCAL YEAR 1972.

THE GENERAL ASSEMBLY ALSO APPROVED, AND FUNDED BEGINNING WITH FISCAL YEAR 1973, THE HIGHER EDUCATION COOPERATION ACT.

OBVIOUSLY, THIS IS AN ENVIABLE AID PACKAGE WHICH FUNDS STUDENTS, INSTITUTIONS, PROGRAMMATIC PRIORITIES AND PROMOTES COOPERATION.

BRIEFLY, LET ME REVIEW THE AMOUNTS OF STATE AID TO ILLINOIS PRIVATE HIGHER EDUCATION THAT HAVE RESULTED FROM THESE DEVELOPMENTS.

FOR THE ACADEMIC YEAR 1958-59, ILLINOIS STATE SCHOLARSHIP COMMISSION (ISSC) AWARDS TO ALL STUDENTS ATTENDING PRIVATE HIGHER EDUCATION INSTITUTIONS TOTALLED $490,280 OR OVER 83 PERCENT OF THE TOTAL MONETARY AWARDS. FOR THE 1972-73 ACADEMIC YEAR, MONETARY AWARDS TO STUDENTS ATTENDING PRIVATE INSTITUTIONS TOTALLED $29,4 MILLION, NEARLY 60 PERCENT OF TOTAL AWARDS. THIS IS A REMARKABLE 60-FOLD INCREASE OVER A 14 YEAR PERIOD, 5,780 PERCENT.

State appropriations for the Health Services Education Grants Act have increased from $8 million in fiscal 1970 to $15.7 million for fiscal 1974.

The state appropriation for the Financial Assistance Act for Nonpublic Institutions of Higher Education has held steady at $6 million since fiscal year 1972. The state appropriation for the Higher Education Cooperation Act has been $350,000 for fiscal years 1973 and 1974.

Obviously, Illinois, like some other states, has made a substantial investment in the support of private institutions. And the Board of Higher Education, in its recent fiscal 1975 budget recommendations, proposes to increase this support.

Briefly, the Board has recommended a $10.9 million increase in scholarship aid. One proposal is to raise the maximum ISSC award from $1,300 per year to $1,350, which would have the effect of providing an additional $1.2 million to private institutions. Other proposed expansions that benefit both the public and private sector would be to extend scholarship aid to half-time and certain fifth-year students and extend the application deadline.

THE BOARD HAS RECOMMENDED TO INCREASE HEALTH EDUCATION GRANTS TO PRIVATE INSTITUTIONS BY $947,000 TO A TOTAL OF $16.6 MILLION. STATE FUNDS FOR COOPERATIVE PROGRAMS WOULD BE INCREASED FROM $350,000 TO $800,000. FINALLY, DIRECT ASSISTANCE TO PRIVATE INSTITUTIONS, ON THE BASIS OF $100 FOR EACH FRESHMAN OR SOPHOMORE ISSC AWARD WINNER AND $200 FOR EACH ILLINOIS JUNIOR OR SENIOR, WOULD BE FUNDED AT A LEVEL OF $6 MILLION.

DESPITE THESE EFFORTS, THERE HAVE BEEN SHARP ATTACKS ON THE BOARD'S RECOMMENDATIONS FROM SEVERAL QUARTERS AND THEY REFLECT A COMPETITION FOR FUNDS BETWEEN THE PUBLIC AND PRIVATE SECTORS OF HIGHER EDUCATION THAT MAY BECOME INCREASINGLY COMMON THROUGHOUT THE NATION.

I HAVE RECEIVED MANY LETTERS FROM MEMBERS OF THE FEDERATION OF INDEPENDENT ILLINOIS COLLEGES AND UNIVERSITIES, AND PRESIDENTS OF SUCH INSTITUTIONS, STATING THAT IT IS ESSENTIAL THAT STATE AID BE INCREASED. THEY WANT THE MAXIMUM STATE SCHOLARSHIP AWARD TO BE INCREASED BEYOND WHAT THE BOARD HAS RECOMMENDED TO KEEP PACE WITH RISING PRIVATE INSTITUTION TUITION CHARGES. THEY WANT DIRECT AID TO INCREASE EACH YEAR TO REFLECT INFLATION.

On the other hand, the Board has received an equal amount of correspondence asking that the state discontinue the practice of making monetary awards to students attending private higher education institutions in Illinois. One recent letter asks why the state should pay $1,300 a year to send a student to an "elite" private institution when two students could be educated for that price at any public institution. The idea of zero tuition, which has gained some currency in Illinois, similarly implied an end to the support of students attending private institutions.

The reply by the Board of Higher Education to the opponents of state aid to private institutions is, I believe, applicable across the nation and it emphasizes two points:

(1) The maintenance of a pluralistic system of higher education in this state, and

(2) The savings to the state that results from such aid.

We are all familiar with the arguments in favor of a diversity of institutions and the desirability of widespread student access to them; to state this is not to imply that the arguments are diaphanous. It is vitally important, to

AGAIN QUOTE THE COMMISSION TO STUDY NON-PUBLIC HIGHER EDUCATION IN ILLINOIS, THAT "THE RANGE OF EDUCATIONAL OPPORTUNITIES AVAILABLE TO STUDENTS MUST BE PRESERVED AND EXTENDED ALONG WITH THE FREEDOM OF EACH STUDENT TO CHOOSE THE INSTITUTION HE (AND I WOULD ADD SHE) WISHES TO ATTEND. DIVERSITY OF INSTITUTIONAL SPONSORSHIP, OBJECTIVES, PROGRAMS, ENVIRONMENT, AND SIZE IS A MAJOR ELEMENT IN INSURING EACH STUDENT'S FREEDOM OF CHOICE."

HOWEVER, THERE APPARENTLY ARE MANY PEOPLE UNRECEPTIVE TO THIS ARGUMENT, PERHAPS BECAUSE IT IS "PHILOSOPHICAL" TO THEM. THEREFORE, I PERSONALLY PREFER THE ARGUMENT ADVANCING THE ECONOMIC BENEFITS TO THE STATE DERIVED FROM EXTENDING AID TO PRIVATE HIGHER EDUCATION.

SOME PEOPLE BELIEVE THE ARITHMETIC IS SIMPLE. IN ILLINOIS, FOR EXAMPLE, THERE ARE THOSE WHO PROPOSE TO ELIMINATE ISSC AWARDS TO STUDENTS AT PRIVATE INSTITUTIONS AS A MEANS OF MAKING AVAILABLE AN ADDITIONAL $30 MILLION TO PUBLIC INSTITUTIONS. SOME WHO WOULD SPEAK FOR PUBLIC INSTITUTIONS WITH DECLINING ENROLLMENTS SEE AN ADDITIONAL BENEFIT: THOSE 28,000 STUDENTS NOW ATTENDING ILLINOIS PRIVATE INSTITUTIONS WITH STATE SCHOLARSHIP AWARDS PROBABLY WOULD BE FORCED INTO THE PUBLIC SECTOR IN THE ABSENCE OF ANOTHER SOURCE OF EDUCATIONAL SUPPORT.

However, the arithmetic is not this simple. The 1971-72 Unit Cost Study indicate Illinois public university instructional costs to be in the range of $1,500 to $1,800 per student each year. That same academic year, there were slightly more than 25,747 ISSC award winners attending Illinois private institutions and the total dollar amount of their awards was $25.9 million----about $1,000 per student. Therefore, if these numbers of students and their total awards were moved into the public sector, the students or the state would have to generate an additional $12.5 million to $20 million for instructional costs, not to mention the costs of needed additional facilities and services not now included in instructional costs. This would be a significant economic burden for someone--the students or the taxpayers.

And we would need to at least consider the effect of such an exodus on the private sector; would it be the cause of such financial hardship as to force stringencies on private institutions that would, in effect, cause an even greater exodus to the public sector?

In short, the state, by its investment in the private sector of Illinois higher education, actually saves money and prevents what might be a crushing economic burden to taxpayers were public institutions forced to serve those students now attending private institutions as a direct result of state aid---be it to the student or the institution. And this is true in every state.

ONE FINAL POINT NEEDS TO BE MADE. A STATE DOES NOT "THROW AWAY MONEY" THROUGH AID TO PRIVATE INSTITUTIONS, BUT RATHER INVESTS IT. PRIVATE INSTITUTIONS, AS CENTERS OF RESEARCH, AS MEANS OF COMMUNITY SERVICE, AS LOCAL EMPLOYERS AND PRODUCERS OF EDUCATED MANPOWER TO SERVE BROAD SOCIETAL NEEDS, ARE INDEED PUBLIC RESOURCES TO BE CHERISHED AND NURTURED.

NOW LET ME TURN TO THE ARGUMENT THAT THE STATE IS NOT DOING ENOUGH FOR PRIVATE INSTITUTIONS. AGAIN, THE EXAMPLE OF ILLINOIS HAS WIDER APPLICABILITY.

THERE CAN BE NO DENIAL OF THE FACT THAT FROM A STATE-WIDE PERSPECTIVE, THE PRIMARY COMMITMENT IN FINANCING HIGHER EDUCATION IS TO THE PUBLIC SECTOR. THIS RAISES THE QUESTION OF WHAT A STATE'S RESPONSIBILITY IS TO THE PRIVATE HIGHER EDUCATION SECTOR.

THE ANSWER, IN ILLINOIS AND ELSEWHERE, IS THAT STATE AID TO PRIVATE HIGHER EDUCATION INSTITUTIONS IS THAT MINOR PERCENTAGE OF INSTITUTIONAL INCOME THAT, HOPEFULLY, ALLOWS QUALITATIVE IMPROVEMENTS IN EDUCATIONAL SERVICES.

IN 1968, WHEN ILLINOIS INVESTIGATED THE CONDITIONS OF PRIVATE COLLEGES AND UNIVERSITIES, IT WAS NOT DISCOVERED THAT A GREAT MAJORITY WERE ON THE BRINK OF ABSOLUTE COLLAPSE AND THAT STATE FINANCIAL AID WAS ALL THAT WOULD SAVE THEM.

IN FACT, IT WAS DISCOVERED THAT MANY PRIVATE INSTITUTIONS HAD FINANCIAL PROBLEMS AND THAT THE STRINGENCIES WERE MANIFESTED IN DEFERRED MAINTENANCE OF BUILDINGS, INADEQUATE SALARIES, IMPOVERISHED LIBRARIES AND OTHER DEFICIENCIES. THESE INSTITUTIONS WERE IN LESS DANGER OF TOTAL COLLAPSE THAN THEY WERE OF DECLINING IN QUALITY TO A LEVEL THAT WOULD NOT BE ATTRACTIVE TO POTENTIAL STUDENTS.

STATE AID, THEREFORE, WAS CONCEIVED AS THAT ADDITIONAL SOURCE OF INCOME WHICH WOULD ALLOW THESE QUALITATIVE IMPROVEMENTS.

ONE MEASURE OF THE DEGREE OF SUCCESS OF THIS EFFORT IS WHETHER ENROLLMENTS IN THE PRIVATE HIGHER EDUCATION SECTOR HAVE STABILIZED. FOR IF THEY HAVE, THIS DEMONSTRATES A VITALITY TO ATTRACT AND RETAIN STUDENTS.

IN ILLINOIS AT LEAST, AND THIS IS PROBABLY THE CASE IN OTHER STATES WITH SIMILAR STRONG PATTERNS OF SUPPORT FOR PRIVATE INSTITUTIONS, ENROLLMENTS IN THE PRIVATE SECTOR HAVE CLEARLY STABILIZED. ENROLLMENT DATA COLLECTED LAST FALL BY THE BOARD OF HIGHER EDUCATION, IN FACT, INDICATED A SLIGHT INCREASE IN THE TOTAL STUDENTS ENROLLED IN PRIVATE UNIVERSITIES. WHILE THERE WAS A SLIGHT DECREASE FOR ALL PRIVATE INSTITUTIONS ----TWO AND FOUR-YEAR COLLEGES, UNIVERSITIES, THEOLOGICAL SCHOOLS AND PROPRIETARY

INSTITUTIONS----IT AMOUNTED TO ROUGHLY 700 STUDENTS AND CLEARLY THIS IS NOT ANY INDICATION OF A DECLINING ENROLLMENT TREND.

IN THIS CONTEXT, THE ILLINOIS BOARD OF HIGHER EDUCATION, AND PERHAPS OTHER PUBLIC OFFICIALS, ARE NOT RECEPTIVE TO THE SUGGESTION THAT THE OVERALL BUDGET APPROACH TO FINANCING HIGHER EDUCATION APPLIES EQUALLY TO THE PUBLIC AND PRIVATE SECTOR.

TO BE SPECIFIC, IF ONE ASPECT OF APPROACHING THE BUDGETING PROCESS IS TO ACHIEVE A CERTAIN OVERALL PERCENTAGE INCREASE, TO OFFSET THE EFFECTS OF INFLATION AND PROVIDE ADEQUATE FUNDS FOR QUALITATIVE IMPROVEMENTS, THAT DOES NOT MEAN THAT THE FORMULA APPLIES TO EVERY PROGRAM OF STATE AID TO PRIVATE INSTITUTIONS. IT DOES NOT MEAN THAT EVERY SUCH PROGRAM IS AUTOMATICALLY INCREASED FOUR, FIVE, SIX PERCENT OR ANY OTHER NUMBER.

HOWEVER ARBITRARILY A STATE MAY HAVE ARRIVED AT THE DETERMINATION OF A PARTICULAR FUNDING LEVEL FOR ANY PROGRAM OF FINANCIAL SUPPORT TO PRIVATE INSTITUTIONS, THERE IS NO OBLIGATION TO CONTINUALLY INCREASE THAT LEVEL BY ANY PERCENTAGE OR TO STRIVE TO MAKE THAT FUNDING A CERTAIN PERCENTAGE OF PRIVATE INSTITUTIONAL SUPPORT. THIS IS

ESPECIALLY TRUE DURING A PERIOD WHEN ADDITIONAL STATE DOLLARS ARE FEW AND BARELY SUFFICIENT TO MEET THE NEEDS OF INSTITUTIONS WHOSE MAJOR SOURCE OF SUPPORT IS THE STATE.

THIS, OF COURSE, DOES NOT MEAN A STATE SHOULD NOT OR WILL NOT INCREASE ITS LEVEL OF SUPPORT TO PRIVATE INSTITUTIONS.

IT DOES MEAN THAT PRIVATE INSTITUTIONS MUST SEEK THE MAJORITY OF THEIR FINANCIAL SUPPORT FROM PRIVATE SOURCES IF THEY ARE TO RETAIN THEIR INDEPENDENCE AND UNIQUENESS. INSTITUTIONS THAT ARE DEPENDENT ON REGULAR, EVEN THOUGH INITIALLY SMALL INCREASES IN PUBLIC SUPPORT, WILL DISCOVER IN TIME THAT THE DEPENDENCY GROWS AND GROWS AND THAT EVENTUALLY THEY ARE CREATURES OF THE STATE, INDISTINGUISHABLE FROM OTHER STATE INSTITUTIONS WITH SIMILAR MISSIONS.

I DO NOT MEAN THIS TO SOUND OVERDRAMATIC, OR TO IMPLY THAT INSTITUTIONS CONTROLLED BY STATE GOVERNMENT ARE DISMAL, UNIMAGINATIVE, LOOK-ALIKE PLACES, BUT RATHER TO SUGGEST THAT STATE SUPPORT OF THE PRIVATE HIGHER EDUCATION SECTOR SHOULD BE LIMITED BY NATURE OF THE GOALS AND OBJECTIVES THAT ARE SOUGHT.

ONCE WE CAN ACHIEVE A CONSENSUS ON THIS PERSPECTIVE, I BELIEVE MUCH OF THE DIVISIVENESS OF WHICH I HAVE BEEN SPEAKING WILL BE ELIMINATED.

THERE IS MORE, HOWEVER, TO THE RELATIONSHIP BETWEEN THE PUBLIC AND PRIVATE HIGHER EDUCATION SECTORS THAT COMPETITION FOR SUPPORT DOLLARS. THERE IS IN ILLINOIS AND ACROSS THE NATION EXAMPLES OF COOPERATION THAT PROMISE OVERALL INCREASES IN THE QUALITY OF EDUCATIONAL SERVICES TO CITIZENS OF A STATE.

AS AN OUTGROWTH OF ILLINOIS MASTER PLAN PHASE III, THE BOARD OF HIGHER EDUCATION APPOINTED THE COLLEGIATE COMMON MARKET TASK FORCE, WHICH RECOMMENDED IN NOVEMBER, 1972, THE ESTABLISHMENT OF A NON-TRADITIONAL UNIVERSITY FOR THE STATE OF ILLINOIS TO FACILITATE THE COOPERATIVE VENTURES THAT HAD ALREADY BEGUN BETWEEN AND AMONG PUBLIC AND PRIVATE UNIVERSITIES.

SUCH AN INSTITUTION, NOW KNOWN AS LINCOLN STATE UNIVERSITY, HAS BEEN ESTABLISHED AS A PRIVATE CONCERN AND HAS PROPOSED TO IMPLEMENT MANY OF THE COLLEGIATE COMMON MARKET TASK FORCE RECOMMENDATIONS, INCLUDING THE ESTABLISHMENT OF REGIONAL CENTERS TO FACILITATE COOPERATION AMONG INSTITUTIONS, PUBLIC AND PRIVATE. ALSO, FUNDING SCHEMES HAVE BEEN EXPLORED WHEREBY THE BOARD OF HIGHER EDUCATION AND LINCOLN STATE UNIVERSITY WOULD COOPERATE IN THE DEVELOPMENT OF A COMPUTER ASSISTED LISTING OF EDUCATIONAL ALTERNATIVES (CALEA).

CALEA COULD BECOME THE MEANS WHEREBY STUDENTS COULD DETERMINE PLACES AND COURSES OF STUDY THAT WOULD BE CONVENIENT TO THEIR PARTICULAR CIRCUMSTANCES. IT CERTAINLY IMPLIES SOMEWHERE DOWN THE ROAD INCREASED ATTENTION TO INTERCHANGEABILITY OF CREDITS AND DEGREE REQUIREMENTS, WITHIN THE PUBLIC AND PRIVATE SECTORS AND BETWEEN THEM.

ALL THESE DEVELOPMENTS, INCLUDING THAT OF THE HIGHER EDUCATION COOPERATION ACT MENTIONED PREVIOUSLY, ARE TOWARD INCREASED COOPERATION AND COORDINATION BETWEEN THE PUBLIC AND PRIVATE SECTORS.

INDEED, THE BOARD OF HIGHER EDUCATION, IN THE EXERCISE OF ITS PROGRAM APPROVAL POWERS WITHIN THE PUBLIC HIGHER EDUCATION SECTOR, HAS CONSIDERED THE DUPLICATION OF PROGRAMS BETWEEN THE PUBLIC AND THE PRIVATE SECTOR. AS ONE EXAMPLE, THE BOARD DID NOT APPROVE A MASTERS OF BUSINESS ADMINISTRATION DEGREE PROGRAM FOR A CHICAGO-AREA PUBLIC UNIVERSITY BECAUSE IT DUPLICATED SIMILAR PROGRAMS OFFERED BY PRIVATE INSTITUTIONS IN THE SAME AREA.

AN IMPETUS TOWARD SUCH COORDINATING EFFORTS WILL BE THE DESIGNATION IN ILLINOIS OF A 1202 AGENCY, AS MANDATED BY THE OMNIBUS HIGHER EDUCATION ACT OF 1972.

UNDERSTANDABLY, MANY PRIVATE HIGHER EDUCATION INSTITUTIONS ARE CHARY OF SUCH DEVELOPMENTS, SEEING IN THEM THE MEANS OF INCREASED CONTROL OF THEIR ACTIVITIES BY THE STATE.

HOWEVER, THIS IS NOT THE GOAL OF STATE GOVERNMENT, ANY MORE THAN THE STATE DESIRES TO TAKE OVER THE BURDEN OF FINANCING PRIVATE HIGHER EDUCATION.

THE GOAL, IN PART, IS THE ELIMINATION OF UNNEEDED AND EXPENSIVE DUPLICATION OF PROGRAMS. FROM THE ECONOMIC VIEWPOINT, THIS IS DESIRABLE SINCE SOURCES OF FUNDING---BE THEY PUBLIC OR PRIVATE----SIMPLY DO NOT EXIST IN THE QUANTITIES NECESSARY TO MAKE EVERY INSTITUTION TOTALLY COMPREHENSIVE IN PROGRAM OFFERINGS.

EQUALLY IMPORTANT, SUCH DUPLICATING AND COMPETING EFFORTS ARE NOT IN THE BEST INTERESTS OF TODAY'S STUDENTS, WHO ARE OFTEN MOBILE OR ATTEMPTING TO COMBINE HIGHER EDUCATION STUDY WITH DAILY WORK OBLIGATIONS. IF HIGHER EDUCATION IS TO MEET THE DEMANDS OF THESE OLDER, MORE SOPHISTICATED STUDENTS, IT MUST FEATURE COOPERATION, NOT COMPETITION.

I DO NOT BELIEVE THERE IS ANY INHERENT CONFLICT IN VIEWING ALL HIGHER EDUCATION INSTITUTIONS WITHIN A STATE AS A COMMON RESOURCE FOR THE PEOPLE THEY SERVE. WITHIN THIS PERSPECTIVE, THERE IS STILL ROOM FOR THE DIVERSITY WE ALL CHERISH.

In summary, there are signs of divisiveness between the public and private higher education sectors in terms of competition for state financial support. The fact that there is such competition is evidence that most states accept the idea that maintenance of a viable private sector in higher education is a worthwhile goal.

However, this area of conflict temporarily overshadows the developments of lasting cooperative ventures between the two sectors which fully utilize their combined resources and increase the overall quality of higher education services to the public.

A major question for state government in the future will be the means of financially supporting the private higher education sector without undermining its independence. This is a goal dictated both by the economic self-interest of state government and in pursuit of an accepted and admirable philosophical goal of diversity in higher education.

As with many of the important educational questions which face all of us in higher education, there are no easy answers. However, with faith and honesty between the public and private sectors, there will be discovered in each state a means of furthering the principles and activities of higher education as a key to a confident future.